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SUBJECT: BHUTANESE KING'S SUCCESSFUL FIRST STATE VISIT TO  
INDIA

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¶1. (U) The King of Bhutan, Jigme Khesar Namgyel Wangchuck, visited India from December 21-26 on his first state visit to a foreign country following his coronation in November 2008. In addition to holding meetings with political figures that included the President and Vice President of India, Prime Minister Singh, Sonia Gandhi, and National Security Advisor Narayanan, the King signed 12 MOUs with the GOI. The King's visit sparked multiple stories in various Indian media outlets, with repeated descriptions of how 'profitable' and 'successful' the bilateral meetings were for both the Bhutanese and Indian sides.

¶2. (U) Perhaps of greatest significance were the four MOUs signed on hydropower projects to occur in Bhutan, which will further both countries' goal of generating 10,000 megawatts of power in Bhutan for Indian consumption by 2020. Tenzin Wangchuk, Political Counselor for the Bhutanese Embassy in New Delhi, told PolOff that these four projects should be operational by 2011. Ravi Nair, Executive Director for the South Asia Human Rights Documentation Centre, cautioned that these agreements are not likely to be implemented as easily as the media has portrayed. On previous collaborations between the GOI and RGoB on hydropower projects, only Indian state sponsored companies have been used for the projects, construction and maintenance. The four newly-proposed projects, much to the displeasure of the GOI, have been opened to bids from outside companies (Note - Nair suspected primarily from Australia. End note.). Nair believes that the GOI will stall many of the projects, citing security concerns, if their firms are denied access to harness Bhutan's hydropower themselves.

¶3. (U) The King also signed an MOU agreeing to further investigate the possible construction of a Golden Jubilee Rail Line, which would link Bhutan to India and Bangladesh by train (Reftel A). PolCouns Wangchuk downplayed the significance of this MOU, citing multiple reasons for the project's inevitable delay ('land in West Bengal is an emotive issue', the original site for a stop in Bhutan was too small, etc.). Nair was more optimistic and pointed out that, although this issue has been discussed by these neighboring countries for some time, there could soon be movement on actually opening these freight corridors, particularly with Bangladesh's Prime Minister scheduled to visit Bhutan in late January.

¶4. (U) Other MOUs signed between the GOI and RGoB included:  
- The establishment of Bhutan's first medical school, the Bhutan Institute of Medical Sciences, with GOI funds, which PolCouns Wangchuk expects to open within the

current five year plan;

- The GOI,s support of approximately USD 44 million for the 'Total Solutions Project' for rural Bhutan, to generate employment and educational opportunities from Indian firms in the Information Communications Technology sector;

- An arrangement for GOI-provided search and rescue operation training to the RGoB, which currently does not have the helicopter and personnel capability to assist its own population during natural disasters;

- An agreement on Drug Demand Reduction and the Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals and Related Matters (Note: RGoB requested assistance from the GOI, Nair believes, to curb rising criminal gang activity amongst urban Bhutanese youths. End Note.).

15. (SBU) When asked by PolOff about China,s November request to Bhutan to initiate the 18th round of talks on their border demarcation issues, PolCouns Wangchuk stated that Bhutan is due to host these meetings in early 2010. He noted the three unresolved areas are in Western Bhutan, a region that forms a tri-junction with GOI territory. Wangchuk was not optimistic about the possibility of these negotiations resolving the RGoB,s border issues with China, as the GOI will not be a party to them. (Note: Bhutan does not have relations with any members of the United Nation,s Security Council, including the United States, due to their belief that such relations would hamper their bargaining power with the Chinese government over this border dispute. Wangchuk,s grim prognosis for these talks does not bode well for the establishment of formal ties between the USG and

NEW DELHI 00002588 002 OF 002

RGoB. End note.)  
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